HOUSING MARKET INFORMATION

RENTAL MARKET REPORT

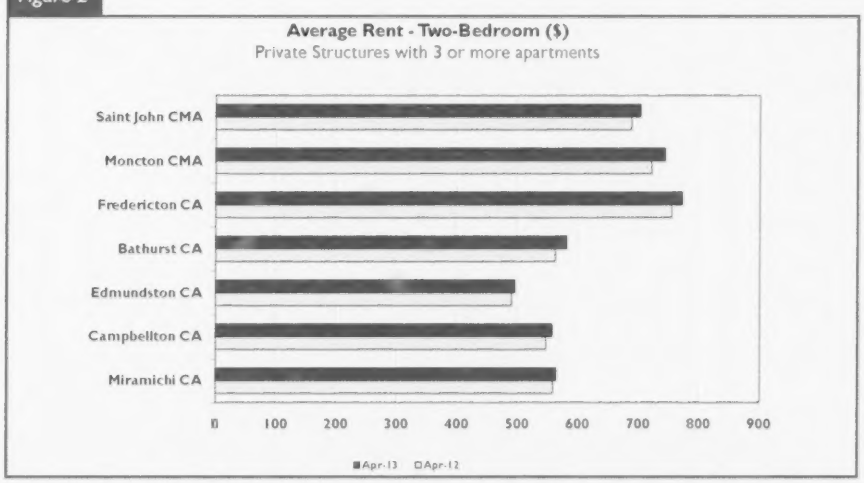
New Brunswick Highlights*

CANADA MORTGAGE AND HOUSING CORPORATION

Date Released: Spring 2013

Figure 1

Figure 2



*Only centres with a population of 10,000 + are included in the survey.

Higher Vacancy Rates Recorded in New Brunswick Urban Centres

- The overall vacancy rate for New Brunswick's urban centres was up 1.4 percentage points to 7.6 per cent in April 2013, with rates in the urban centres ranging between 4.6 and 10.4 per cent.
- The highest average two-bedroom rent in the province was recorded in Fredericton at $773 per month in April. The lowest was in Edmundston at $496.
- The overall availability rate for the province's seven urban centres stood at 8.6 per cent.
- The average two-bedroom rent increase in the province, based on structures common to both the 2012 and 2013 surveys, was 1.5 per cent.

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Overview – Large Urban Centres

According to the results of Canada Mortgage and Housing Corporation's Spring Rental Market Survey[1], the vacancy rates in each of New Burnswick's three large urban centres[2] were higher in April 2013 than last year. The highest vacancy rate in this group, which was also the highest overall for the province, was recorded in Saint John at 10.4 per cent. Conversely, the lowest vacancy rate for the large urban centres was in Fredericton at 5.2 per cent. In Moncton, the overall vacancy rose 2.4 percentage points to 7.4 per cent in April.

In Moncton, the current upward trend in the vacancy rate can be attributed to a growing imbalance between supply and demand. Rental unit construction since 2010 has been significantly above the ten-year average, leading to a rapid expansion of the local rental stock and the higher vacancy rate recorded in the spring of 2013. To a lesser extent, the same trend has been observed in Fredericton. Despite above average construction activity in the provincial capital in recent years, however, the increase in supply has been more closely matched to existing demand, resulting in a smaller increase in the local vacancy rate. In both Moncton and Fredericton, consistent population growth has been one of the main drivers of demand for rental units and recent rental market construction.

Unlike Fredericton and Moncton, rental market construction in Saint John has been relatively limited in recent years. Between 2010 and 2012, less than 400 new rental units were started in Saint John. During the same period however, over 1,400 new rental units were started in Moncton, despite having a similar size population. Despite the modest expansion of the local rental universe, the vacancy rate in Saint John was the highest in the province in April 2013, pointing to weaker demand for rental units. In large part, the rise in the vacancy rate in Saint John can be attributed to relatively limited population growth and favorable market conditions that continue to draw current and potential renters to homeownership.

Among the three major urban centres in the province, Fredericton posted the highest average rent in April 2013 at $762 per month. In comparison, both Moncton and Saint John were lower at $718 and $667 per month, respectively. In both Fredericton and Moncton, rental market construction activity has been adding a significant number of larger, more expensive units to the local rental stock, pushing the average monthly rent above the provincial average.

The average availability rate in the province was up two percentage points to 8.6 per cent this spring. The availability rate in Fredericton was lower than the provincial average at 6.0 per cent. In Moncton and Saint John, the availability rate in the spring of 2013 was above the average at 8.8 and 11.1 per cent, respectively.

Vacancy Rate – Small Urban Centres

In New Brunswick's four smaller urban centres, the vacancy rate in the spring of 2013 ranged from a low of 4.6 per cent in Miramichi to a high of 9.5 per cent in Bathurst. In Campbellton, Edmundston and Miramichi, the vacancy rates not only declined from the spring 2012 level, they were also lower than the provincial average. Specifically, in Miramichi, the lower vacancy rate was impacted by both a lack of new supply and an increase in demand due to employment ramping up at the new Federal payroll centre. In general terms, apartment unit construction in Northern New Brunswick's urban areas has been limited by relatively soft demand stemming from steady out-migration in recent years. As such, the rental universes in each centre remain relatively small, resulting in larger annual fluctuations in the vacancy rate as migration patterns change, most notably due to employment levels.

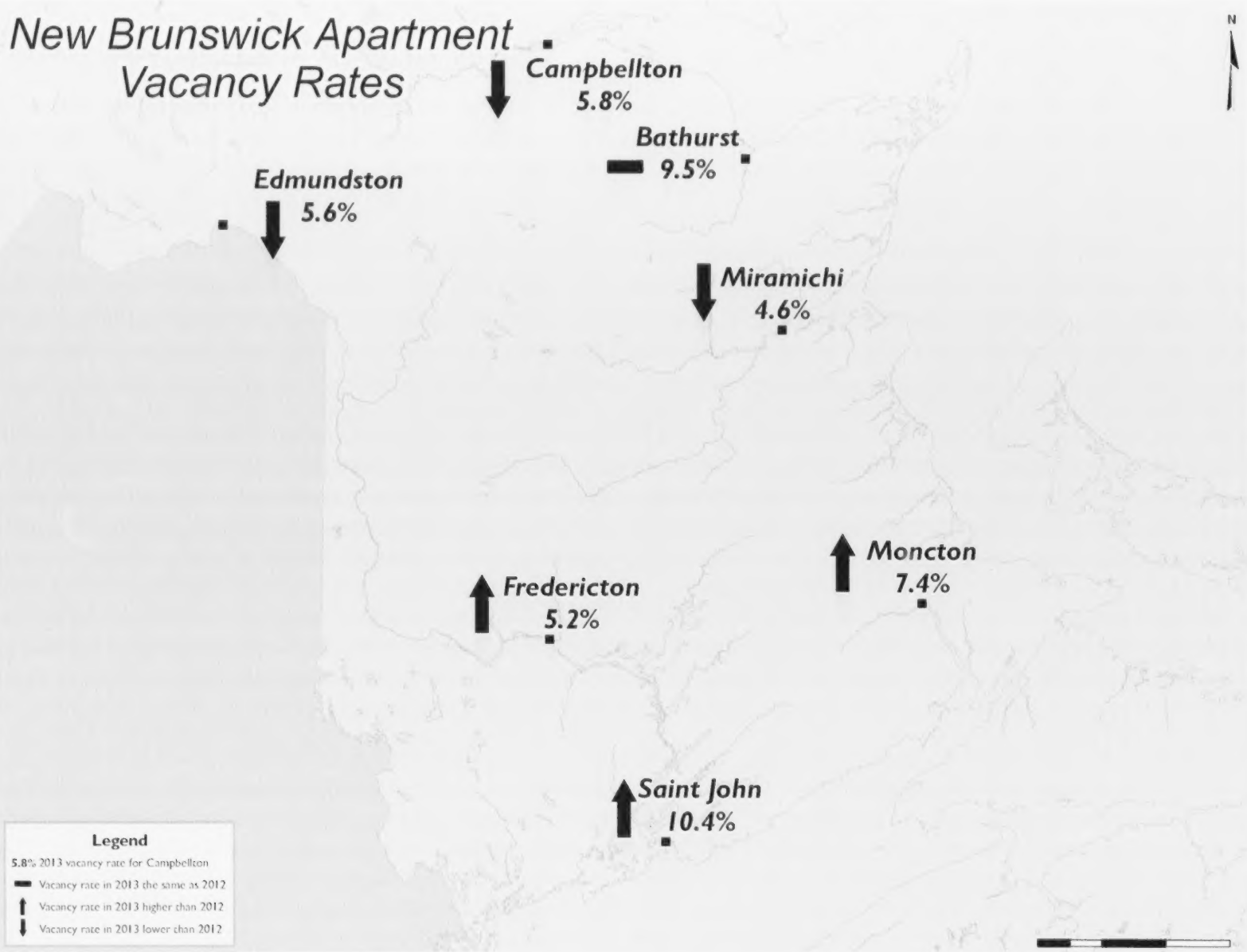
Average Rent – New Brunswick Urban Centres

Overall, average rents in all of New Brunswick's urban centres (based on structures common to both the 2012 and 2013 surveys)[3] recorded a 1.6 per cent increase in 2012. The average rent increases varied from a low of 1.3 per cent in Campbellton to a high of 2.0 per cent in Edmundston. The increase in overall average rents for the popular two-bedroom units was 1.5 per cent.

[1] Based on privately-initiated rental apartments structures of three or more units.

[2] Urban centres are defined as centres with a population of over 10,000. Census metropolitan areas (CMA) are based on Statistics Canada definition.

[3] When comparing year-over-year average rents, the age of the building needs to be taken into consideration because rents in newly-built structures tend to be higher than in existing buildings. By comparing rents for units that are common to both 2012 and 2013 Spring rental market surveys, we can get a better indication of actual rent increases paid by most tenants.


New Brunswick Apartment Vacancy Rates
Campbellton
5.8%
Bathurst
9.5%
Edmundston
5.6%
Miramichi
4.6%
Moncton
7.4%
Fredericton
5.2%
Saint John
10.4%
N
Legend
5.8% 2013 vacancy rate for Campbellton
Vacancy rate in 2013 the same as 2012
Vacancy rate in 2013 higher than 2012
Vacancy rate in 2013 lower than 2012

1.1.1 Private Apartment Vacancy Rates (%) by Bedroom Type New Brunswick

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-12	Apr-13	Apr-12	Apr-13	Apr-12	Apr-13	Apr-12	Apr-13	Apr-12	Apr-13
Moncton CMA	3.3	5.7	3.9	7.0	5.5	7.4	5.2	**	5.0	7.4
Saint John CMA	**	9.6	9.0	10.2	8.4	10.4	7.0	10.9	8.4	10.4
Bathurst CA	17.0	18.7	10.8	12.0	6.7	6.8	3.9	6.3	8.7	9.5
Campbellton CA	9.1	**	9.7	7.1	5.8	3.1	12.5	7.2	7.9	5.8
Edmundston CA	**	9.8	13.3	9.0	5.9	3.4	**	0.0	8.6	5.6
Fredericton CA	3.8	5.7	4.3	5.2	3.7	5.4	4.0	4.1	3.8	5.2
Miramichi CA	21.7	10.0	5.6	2.8	4.8	4.8	4.4	9.1	5.4	4.6
New Brunswick 10,000+	**7.9**	**8.9**	**6.7**	**7.8**	**5.9**	**7.4**	**5.6**	**8.0**	**6.2**	**7.6**

The following letter codes are used to indicate the reliability of the estimates:
a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)
** Data suppressed to protect confidentiality or data not statistically reliable.
n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix link for more details

1.1.2 Private Apartment Average Rents ($) by Bedroom Type New Brunswick

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-12	Apr-13	Apr-12	Apr-13	Apr-12	Apr-13	Apr-12	Apr-13	Apr-12	Apr-13
Moncton CMA	480	501	604	636	721	744	850	860	693	718
Saint John CMA	480	495	578	586	688	703	754	750	661	667
Bathurst CA	343	346	446	456	562	581	567	590	506	522
Campbellton CA	400	390	437	440	547	557	670	654	506	515
Edmundston CA	341	364	419	434	490	496	544	550	460	469
Fredericton CA	537	576	628	660	755	773	995	1,036	746	762
Miramichi CA	329	338	493	504	558	564	560	544	535	543
New Brunswick 10,000+	**465**	**494**	**571**	**594**	**696**	**716**	**828**	**836**	**668**	**685**

The following letter codes are used to indicate the reliability of the estimates (cv = coefficient of variation):
a - Excellent ($0 \leq cv \leq 2.5$), b- Very good ($2.5 < cv \leq 5$), c - Good ($5 < cv \leq 7.5$), d - Fair (Use with Caution) ($7.5 < cv \leq 10$)
** Data suppressed to protect confidentiality or data not statistically reliable.
n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix link for more details

1.1.3 Number of Private Apartment Units in the Universe by Bedroom Type New Brunswick

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-12	Apr-13	Apr-12	Apr-13	Apr-12	Apr-13	Apr-12	Apr-13	Apr-12	Apr-13
Moncton CMA	365	370	2,416	2,542	6,815	7,061	474	490	10,070	10,463
Saint John CMA	384	371	2,294	2,305	4,697	4,701	1,146	1,157	8,521	8,534
Bathurst CA	130	130	362	367	682	693	117	106	1,291	1,296
Campbellton CA	45	45	328	329	424	436	69	72	866	882
Edmundston CA	64	58	483	457	645	651	80	75	1,272	1,241
Fredericton CA	335	366	1,541	1,624	4,216	4,271	787	833	6,879	7,094
Miramichi CA	23	20	219	219	562	560	45	44	849	843
New Brunswick 10,000+	**1,346**	**1,360**	**7,643**	**7,843**	**18,041**	**18,373**	**2,718**	**2,777**	**29,748**	**30,353**

The following letter codes are used to indicate the reliability of the estimates:
a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)
** Data suppressed to protect confidentiality or data not statistically reliable.
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Please click Methodology or Data Reliability Tables Appendix link for more details

1.1.4 Private Apartment Availability Rates (%) by Bedroom Type New Brunswick

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-12	Apr-13	Apr-12	Apr-13	Apr-12	Apr-13	Apr-12	Apr-13	Apr-12	Apr-13
Moncton CMA	4.9 c	**	4.3 c	8.5 c	5.8 b	8.9 c	5.4 c	11.5 c	5.4 b	8.8 c
Saint John CMA	11.1 d	10.1 c	9.2 b	11.5 c	8.6 b	10.9 c	8.4 c	11.1 c	8.8 b	11.1 c
Bathurst CA	17.0 c	18.7 c	11.1 c	12.3 c	6.9 c	7.6 c	3.9 c	6.3 c	8.9 c	10.0 c
Campbellton CA	9.1 b	**	9.7 b	7.4 b	6.0 a	3.4 b	12.5 c	7.2 b	8.1 b	6.0 b
Edmundston CA	**	13.7 c	13.3 c	9.8 c	7.1 c	4.5 b	**	**	9.3 c	6.8 c
Fredericton CA	4.3 b	6.8 c	4.4 b	6.3 c	4.5 b	6.2 c	4.6 c	4.2 c	4.5 b	6.0 c
Miramichi CA	21.7 c	10.0 c	5.6 c	2.8 b	5.0 c	4.8 c	4.4 c	9.1 c	5.6 c	4.6 c
New Brunswick 10,000+	**8.6 b**	**9.7 b**	**7.0 b**	**9.0 c**	**6.3 a**	**8.3 c**	**6.4 b**	**8.6 c**	**6.6 a**	**8.6 c**

The following letter codes are used to indicate the reliability of the estimates:
a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)
** Data suppressed to protect confidentiality or data not statistically reliable.
n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

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1.1.5 Private Apartment Estimate of Percentage Change (%) of Average Rent[1] by Bedroom Type
New Brunswick

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-11 to Apr-12	Apr-12 to Apr-13	Apr-11 to Apr-12	Apr-12 to Apr-13	Apr-11 to Apr-12	Apr-12 to Apr-13	Apr-11 to Apr-12	Apr-12 to Apr-13	Apr-11 to Apr-12	Apr-12 to Apr-13
Moncton CMA	2.3	2.8	2.9	1.9	2.9	1.6	2.0	++	2.6	1.9
Saint John CMA	**	++	3.6	++	4.9	++	3.0	++	4.3	**
Bathurst CA	-1.5	0.8	2.1	2.3	2.3	1.2	6.6	3.8	2.0	1.8
Campbellton CA	-1.9	0.4	0.8	0.8	0.7	1.4	2.1	1.1	0.5	1.3
Edmundston CA	++	++	++	**	1.8	2.0	**	2.6	1.4	2.0
Fredericton CA	1.5	++	3.6	1.4	2.9	2.4	3.9	++	2.4	1.8
Miramichi CA	++	++	**	2.9	2.4	1.8	++	++	2.4	2.0
New Brunswick 10,000+	**3.7**	**++**	**3.2**	**1.6**	**3.3**	**1.5**	**3.1**	**++**	**2.9**	**1.6**

[1]The Percentage Change of Average Rent is a measure of the market movement, and is based on those structures that were common to the survey sample for both years

The following letter codes are used to indicate the reliability of the estimates:
a - Excellent, b - Very good, c - Good, d - Fair (Use with Caution)
** Data suppressed to protect confidentiality or data not statistically reliable.
++ Change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0).
n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix link for more details

TECHNICAL NOTE:

Difference between Percentage Change of Average Rents (Existing and New Structures) AND Percentage Change of Average Rents from Fixed Sample (Existing Structures Only):

Percentage Change of Average Rents (New and Existing Structures): The increase/decrease obtained from the calculation of percentage change of average rents between two years (example: $500 in the previous year vs. $550 in current survey represents an increase of 10 percent) is impacted by changes in the composition of the rental universe (e.g. the inclusion of newly built luxury rental buildings in the survey, rental units renovated/upgraded or changing tenants could put upward pressure on average rents in comparison to the previous year) as well as by the rent level movement (e.g. increase/decrease in the level of rents that landlords charge their tenants).

Percentage Change of Average Rents from Fixed Sample (Existing Structures Only): This is a measure that estimates the rent level movement. The estimate is based on structures that were common to the survey sample for both the previous year and the current Rental Market Surveys. However, some composition effects still remain e.g. rental units renovated/upgraded or changing tenants because the survey does not collect data to such level of details.

METHODOLOGY FOR RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts the **Rental Market Survey** (RMS) every year in April and October to estimate the relative strengths in the rental market. The survey is conducted on a sample basis in all urban areas with populations of 10,000 and more. The survey targets only privately initiated structures with at least three rental units, which have been on the market for at least three months. The survey collects market rent, available and vacant unit data for all sampled structures.
The survey is conducted by a combination of telephone interviews and site visits, and information is obtained from the owner, manager, or building superintendent. The survey is conducted during the first two weeks of April/October, and the results reflect market conditions at that time.

CMHC's Rental Market Survey provides a snapshot of vacancy and availability rates, and average rents in both new and existing structures. There also exists a measure for the change in rent that is calculated based on existing structures only. The estimate is based on structures that were common to the survey sample for both the previous year and the current Rental Market Surveys. The change in rent in existing structures is an estimate of the change in rent that the landlords charge and removes compositional effects on the rent level movement due to new buildings, conversions, and survey sample rotation. The estimate of per cent change in rent is available in all Canada and Provincial Highlights publications, and also in the CMA reports (fall survey only). The rent levels in new and existing structures are also published. While the per cent change in rents in existing structures published in the reports are statistically significant, changes in rents that one might calculate based on rent levels in new and existing structures may or may not be statistically significant.

DEFINITIONS

Availability: A rental unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant (see definition of vacancy below).

Rent: The rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit.

It should be noted that the average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent.

Rental Apartment Structure: Any building containing three or more rental units, of which at least one unit is not ground oriented. Owner-occupied units are not included in the rental building unit count.

Rental Row (Townhouse) Structure: Any building containing three or more rental units, all of which are ground oriented with vertical divisions. Owner-occupied units are not included in the rental building unit count. These row units in some centres are commonly referred to as townhouses.

Vacancy: A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

Definitions of Census Areas referred to in this publication are as follows:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

Data presented in this publication is based on Statistics Canada's 2011 Census area definitions.

Acknowledgement

The Rental Market Survey could not have been conducted without the cooperation of the rental property owners, managers, and building superintendents throughout Canada. CMHC acknowledges their hard work and assistance in providing timely and accurate information. As a result of their contribution, CMHC is able to provide information that benefits the entire housing industry.

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